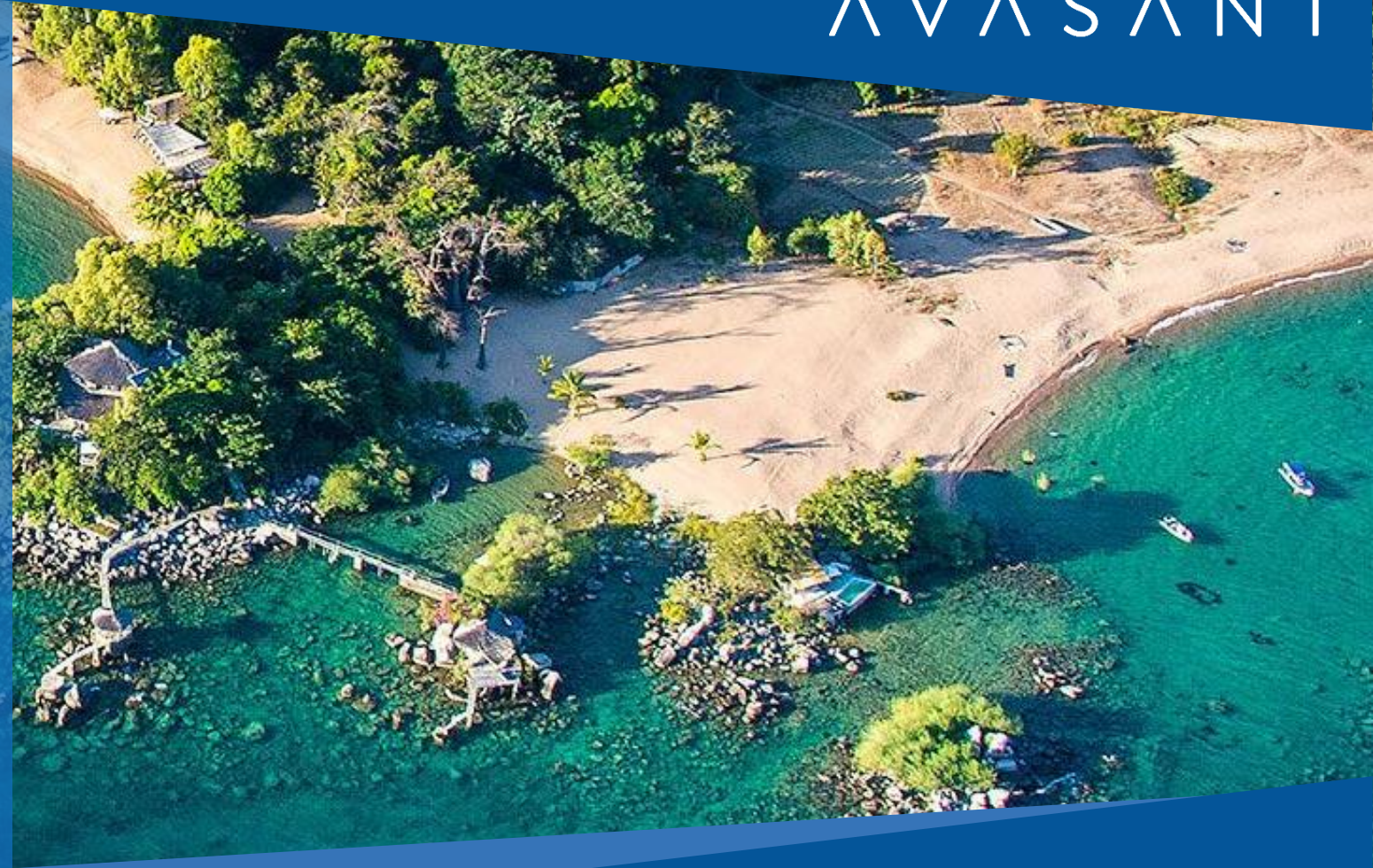




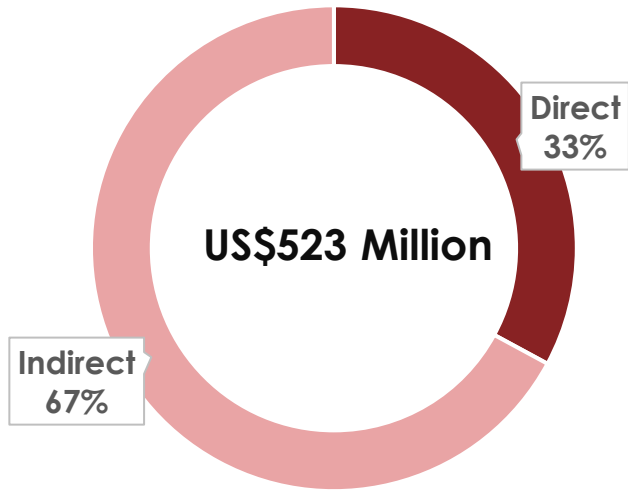
CONSULTANCY SERVICES FOR THE  
DEVELOPMENT OF THE NATIONAL  
TOURISM INVESTMENT  
MASTERPLAN

INVESTOR PITCH PRESENTATION

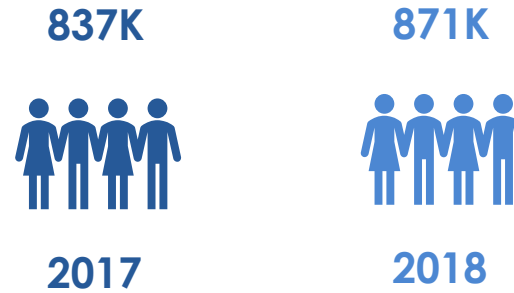


# Malawi's Tourist Sector Overview

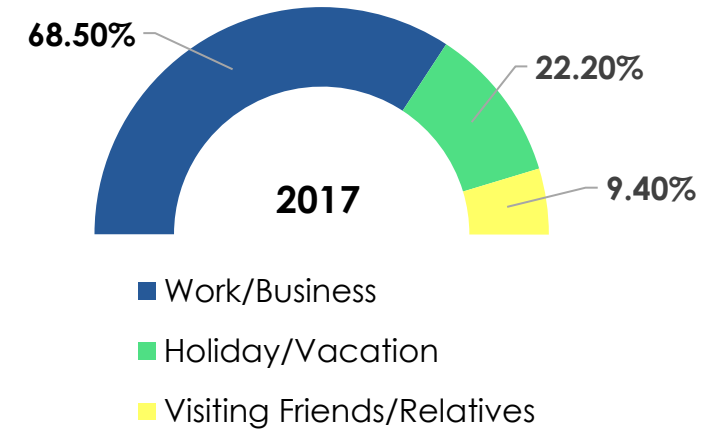
## GDP Contribution in 2019



## International Tourist Arrivals

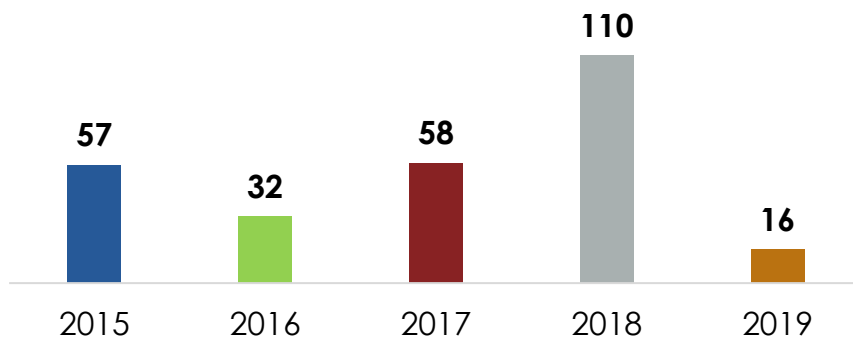


## Purpose of visit

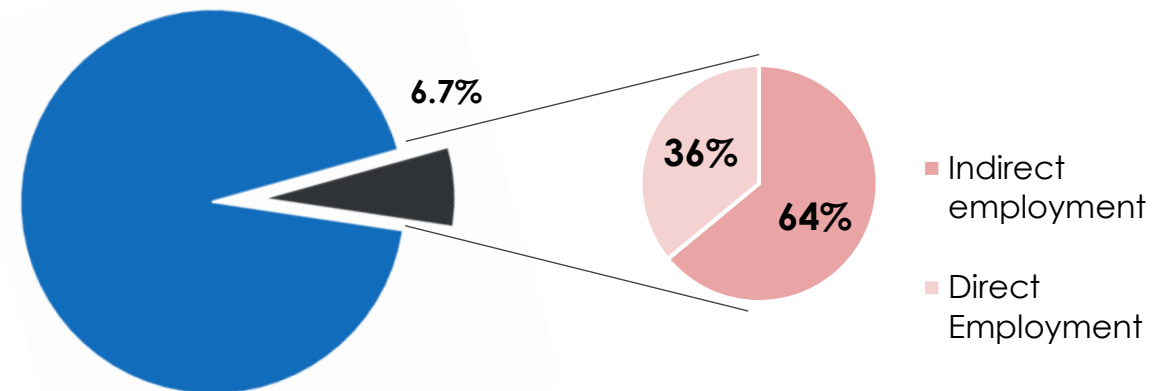


Source: Malawi Statistical Yearbook 2018

## Investment in Tourism & Associated Sectors (USD Million)



## Workforce employed in Tourism sector in 2019



# Why Malawi?

## Young & Trainable Workforce



Malawi has a young population, with nearly 54% of the population in the working age group

## Political Stability



Malawi with no history of civil war offers a peaceful and stable political climate for doing business.

## Investment Protection



Malawi offers protection to the properties of local and foreign investors. Malawi is a signatory of ICSID and MIGA

## Fluency in English



Malawi has a strong English-speaking workforce. Malawi is among the top 10 English speaking nations in Africa

## Investor-Friendly Policies



Foreign investors can invest in any sector of the Malawian economy. Free repatriation of profits, dividends and capital for investors.

## Untapped Investment Opportunities



Malawi offers unique and diverse tourism experiences which are not yet explored.

# The Malawi Advantage



**Safety and Stability** - Malawi is a democratic republic with a multi-party system. Malawi has cordial relations with almost all countries globally. Malawi offers secure and peaceful leisure activities to global tourists, since it has one of the lowest crime-rates in Africa.



**Geographical Location**- Malawi is located in a popular belt of tourist destinations for long-haul, especially European, tourists. The country has near similar time-zones with Europe, Middle-East and the Indian subcontinent.



**Big in hospitality** - Peaceful environment, neighbourly social interaction, tolerant and authentic relationship with visitors and other cultures.



**Rich in contrast** - diverse lake experience with endemic fish species, variety of landscapes, habitats, climates and cultural assets.



# The Malawi Advantage



**Diverse Tourism Products** - Malawi has an impressive line-up of products, ranging from wildlife, nature, culture and sun, sea and sand. Malawi is richly endowed with natural beauty, with protected areas occupying 34% of the land-mass.



**Rich culture & history** - Malawi has unique and exciting history, outstanding architecture and a thriving culture due to its diverse tribes and their associated migration histories to the land. The history of slavery is an important aspect that could be of potential interest to global tourists.



**Compact in size** - short distances between attractions, comparatively little crowded

# Malawi Country Overview

A dark blue decorative shape is located in the bottom right corner of the slide. It consists of a solid dark blue rectangle on the left and bottom, and a dark blue triangle on the right that points downwards from the top edge of the rectangle.

# Country Facts: Malawi



## Government

Presidential Republic



## Time Zone

CAT (GMT+2)  
1 Hour ahead of UK Time



## Currency

Malawian Kwacha-(**MWK**)



## Population

Total Population- 21.2 Million  
3.31% population growth in 2020



## Languages

Official Language- English  
Other important Languages – Chichewa, Chitumbuka, Chiyao, Chisena, Chitonga



## Multilateral Alliances

United Nations  
COMESA  
SADC



## Electricity Cost

Among the lowest in sub-Saharan Africa  
Price- 17.2 US cents per kWh



## Commercial Real Estate

Among the lowest in sub-Saharan Africa region. Class A office rental-USD 6.3 per sq. mtr. per month



## Human Development Index

HDI score is 0.483 which is lower than the average of 0.547 for countries in Sub-Saharan Africa



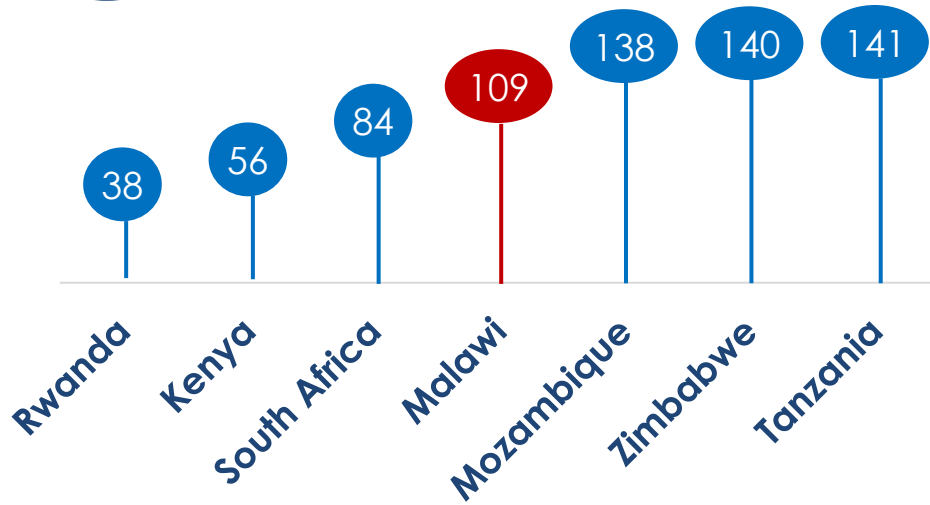
## Cost of Labor

Minimum monthly wages of USD 45 - Among the lowest in sub-Saharan Africa

# Economic Overview



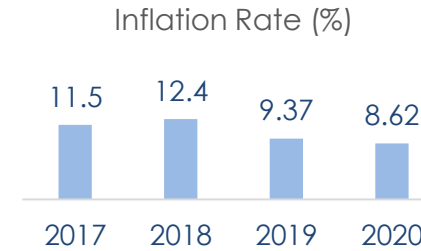
## Ease of doing business



Malawi has been ranked 109 among 190 countries according to the World Bank Ease of Doing Business rankings 2020. The country has seen a slight improvement from its previous year's ranking of 111 in 2019.



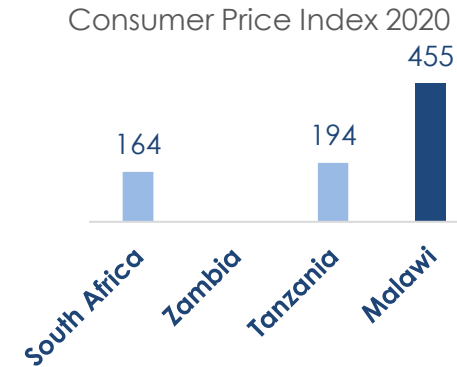
## Inflation



Malawi is classified as a high inflation economy. The Central Bank of Malawi tries to control inflation through monetary policy measures.



## Cost of Living



Cost of living in Malawi is much higher as compared to peer countries in Sub-Saharan Africa.

Source: World Bank



## Growth

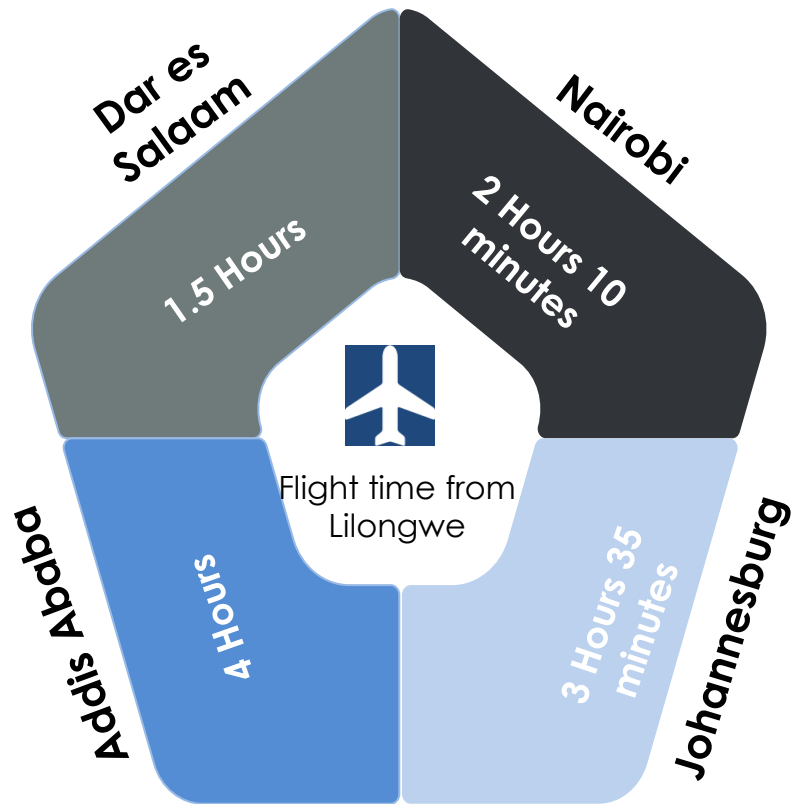


Malawi's economy has been largely impacted by the Covid-19 pandemic. Growth is projected to 2.8% in 2021.

Source: World Bank



# Connectivity & Proximity



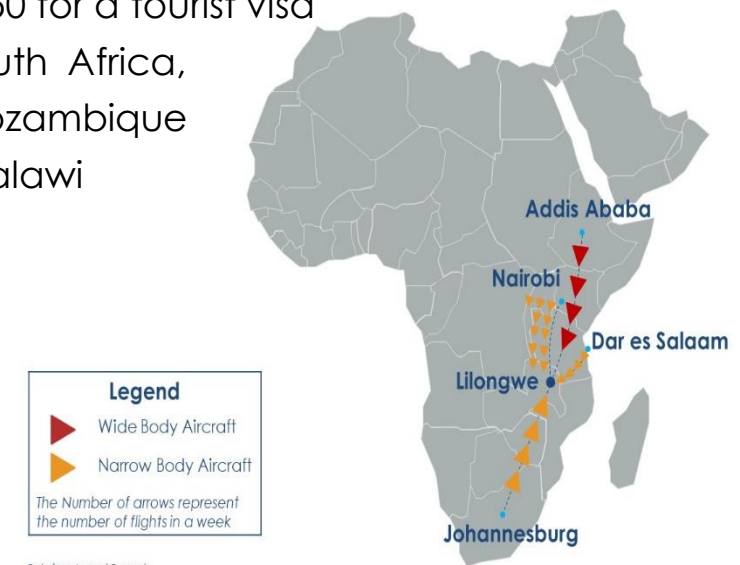
Lilongwe is well connected to major African cities

## Ease of access – Air Travel

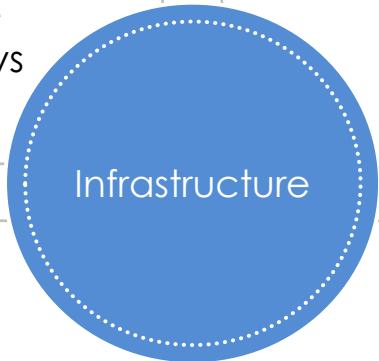
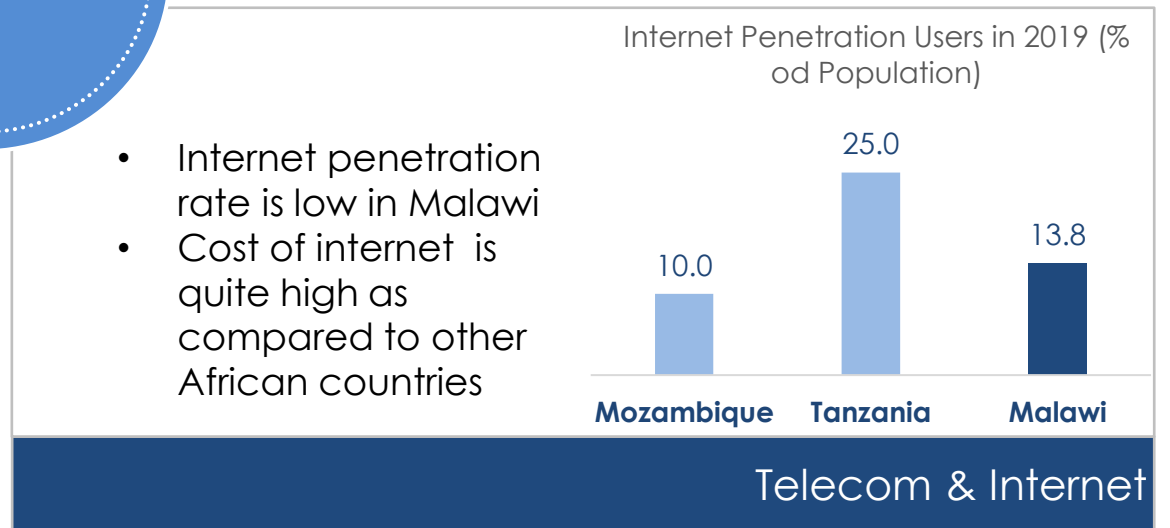
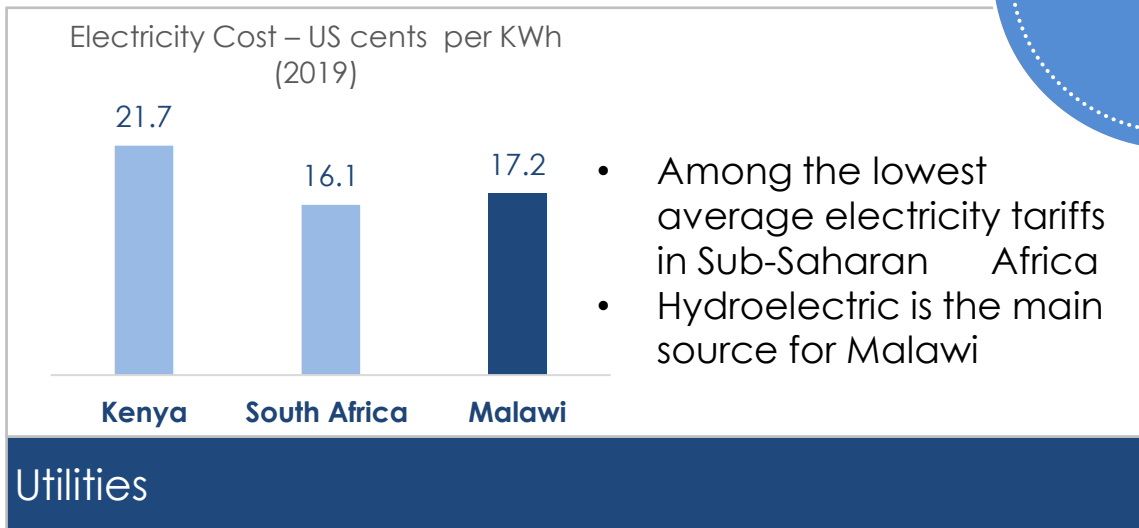
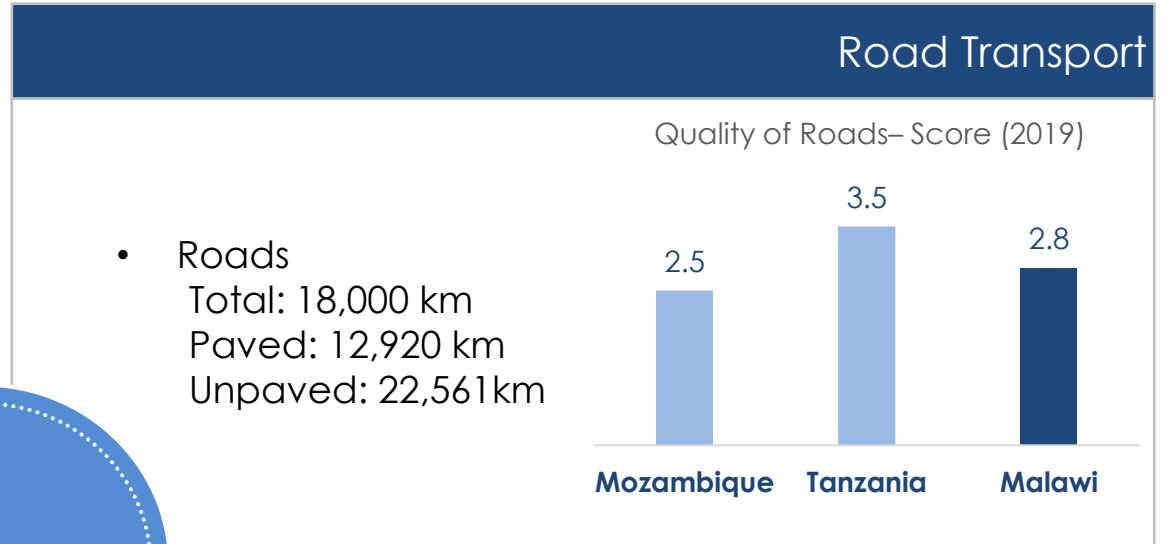
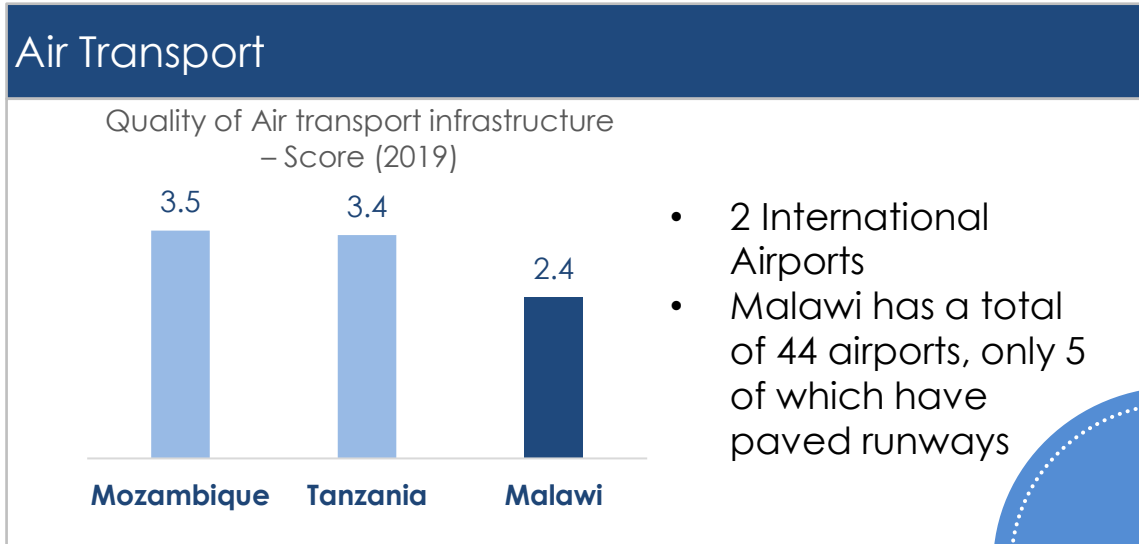
- Malawi has two primary international airports in Lilongwe and Blantyre
- Direct flights to Lilongwe are available from Kenya, South Africa, Ethiopia, and Tanzania
- Tourists from Europe or North America need to travel via South Africa or Kenya
- Presently Malawi is served by Ethiopian Airlines, Kenya Airways, South African Airlines, Malawian Airlines and Proflight Zambia for international destinations

## Ease of access – Visa

- According to Africa Visa Openness Index 2020 Malawi was ranked 25th among 53 countries. Malawi charges US\$50 for a tourist visa
- Citizens of 15 African Nations including South Africa, Namibia, Botswana, Kenya, Tanzania, Mozambique and others do not require a visa to visit Malawi
- Malawi also offers visa on arrival for citizens from 11 African Nations including Madagascar, Guinea, Sierra Leone, Republic of Congo, and others
- Malawi introduced E-Visas for citizens from over 200 countries in November 2019. The processing time for the E-Visa applications is 3 working days



# Infrastructure- Cost & Quality

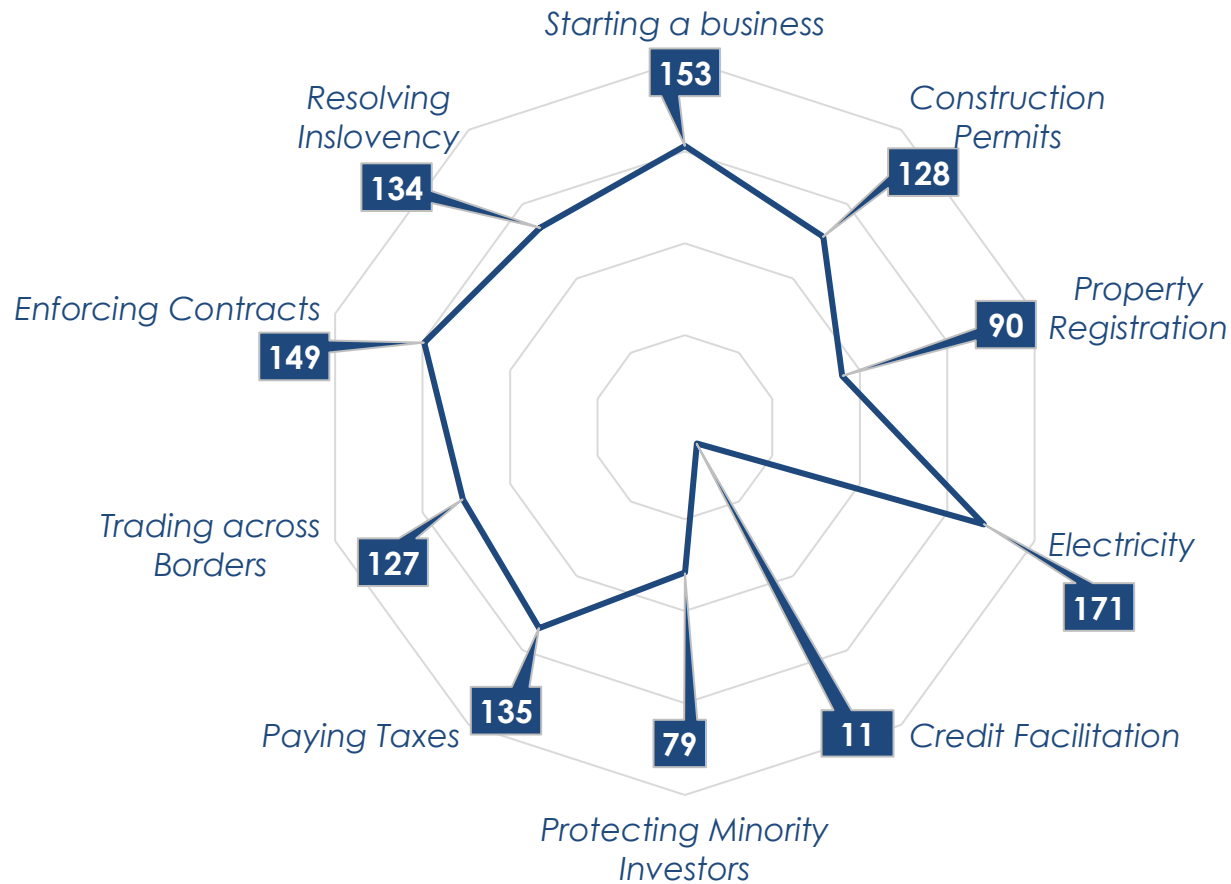


# Business Environment in Malawi



# Ease of doing business

Malawi Rankings on Doing Business Indicators 2020



Malawi ranks 79 globally in “Minority Investor Protection” on World Bank’s index of ‘Ease of Doing Business.’

Protecting Minority Investors – Distance to Frontier



Credit Facilitation - Distance to Frontier



An economy’s distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier

# Government Incentives & Regulations for FDI relevant to the Tourism sector

## Attracting FDI

- Allows 100 percent foreign ownership of companies
- Foreign investors can disinvest 100% from Malawi when they desire to
- Foreign investors in Malawi can wholly remit their profits and dividends



## Bankruptcy & Arbitration

- Foreign creditors have the same rights as domestic creditors
- Member state to the International Centre for the Settlement of Investment Disputes (ICSID Convention)
- Recognition and Enforcement of Foreign Arbitral Awards ( New York Convention)



## Fiscal Incentives

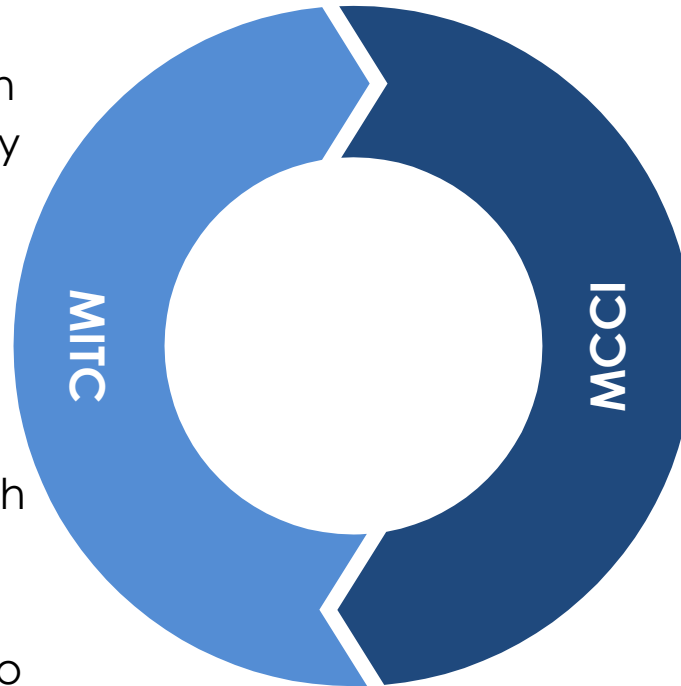
- Free import duty, Free import excise, VAT free importation on selected goods such as furniture and furnishings, catering equipment, off-road game vehicles and others
- VAT and import duty waiver for construction materials such as cement

# Supporting Structures & Institutions

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## **Malawi Investment and Trade Centre**

MITC is a trade and investment promotion agency which operates under the Ministry of Industry, Trade, and Tourism. MITC is a merger of the Malawi Investment Promotion Agency (MIPA) and Malawi Export Promotion Council (MEPC). The Centre's plays a significant role in driving Malawi's economic development through the attraction of foreign and domestic investment, and the growth of exports by promoting locally manufactured goods to local and international markets.



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## **Malawi Confederation of Chambers of Commerce & Industry**

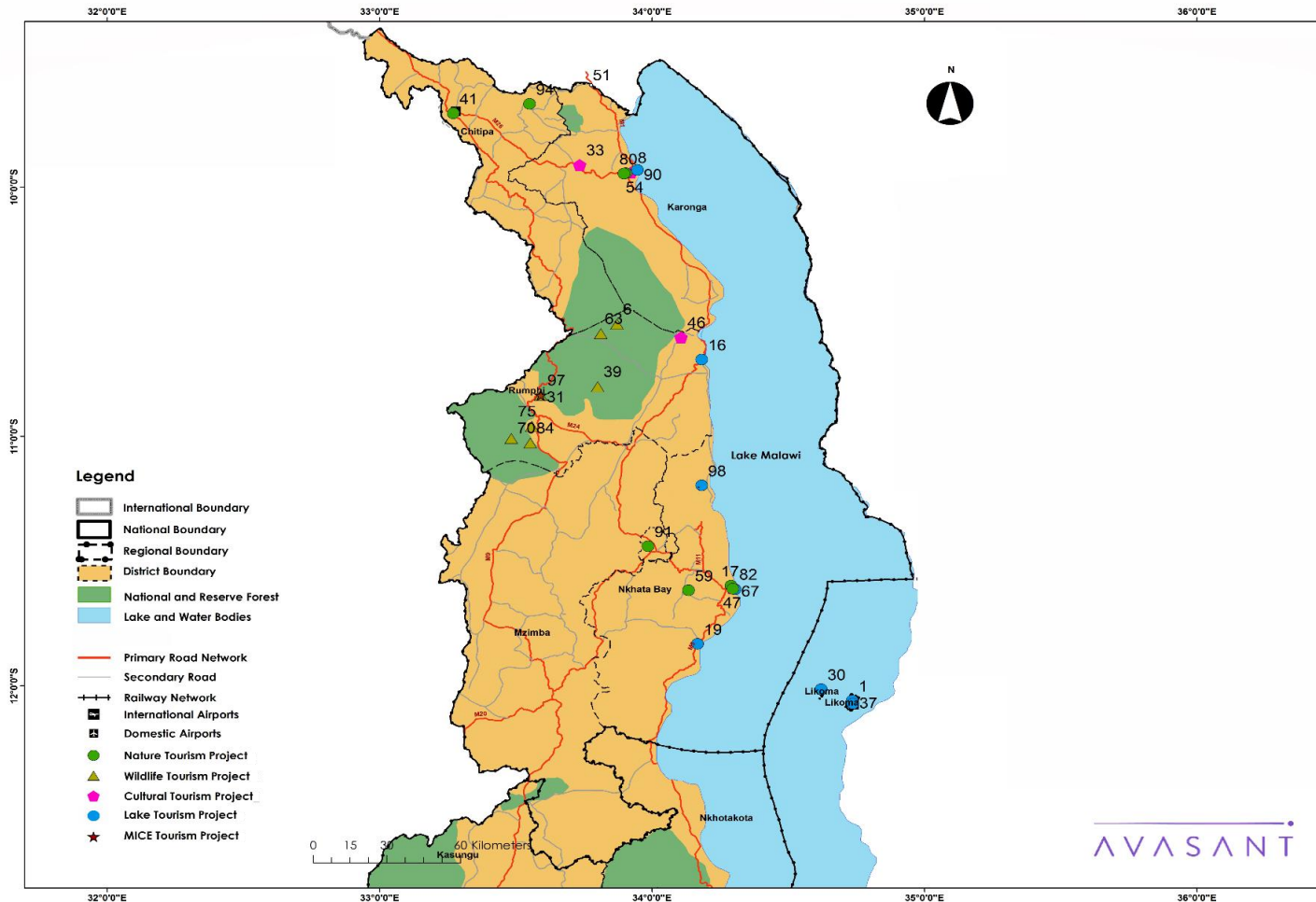
(MCCCI) is a partnership of various enterprises and associations representing different economic sectors of Malawi. MCCCI plans to achieve socio-economic development in Malawi through joint action and improved dialogue among private sector members and constituencies. Primary functions of MCCCI include lobbying & advocacy, business facilitation, and business training & development

# 10 Tourism Priority Projects



# North Region –Recommended Tourism Projects

The Northern Region is home to 3 Tourism Nodes, which have diverse characteristics of Nature, Wildlife, Lake based and Cultural Tourism. Efforts have been made to intensify development in these areas and infuse facets of MICE Tourism as well. The Northern Region nodes act as the spokes around Mzuzu as the Hub



List of **Priority Projects** for which pre-feasibility reports will be developed:

#	Node	Priority Project	Tourism Category
1	Karonga-Chitipa	Transit Facility outside Songwe Border Post	Tourism Facilitation
2	Nyika-Vwaza-Livingstonia-Chiweta-Mlowe	New Resort Livingstonia	Nature Tourism
3	Nkhata bay-Likoma-Mzuzu	Activity Centre, Likoma Island <sup>1</sup>	Lake Tourism
4		Integrated Waterfront Development, Nkhata Bay	Lake Tourism

Note:

1. Project will be finalized after site visit



# Transit Facility Songwe Border Post



## Project Description

The proposed Riverwalk will support this market, not only for visitors but also for Lilongwe residents.

- **40-seat restaurant** with outside shaded seating and a children's playground
- Public toilets, ATM facilities and a fast-food outlet
- **24-room Motel**

## Project Location

The project is located in Northern Malawi region in the Karonga-Chitipa node. It is situated along the M1 roads, close to the Songwe border post.

## Project Financials

**US\$8.6 Mn**  
CAPEX

**US\$863 K**  
Revenue for 1<sup>st</sup> Year

**US\$10.8 Mn**  
Net Present Value

**10.8%**  
Internal Rate of Return

**US\$413 K**  
EBIT for 1st Year

**8 Years**  
Payback Period

# Livingstonia Resort



## Project Description

A family-orientated Resort, with diverse dining experiences and activities for young and old, is proposed. It will include the following:

- **20 room hotel** with dining for residents, a bar and lounge
- Resort **activity centre** offering an indoor multi-purpose hall, gym, retail, business centre, pizzeria and refreshment centre, two squash- and tennis courts, and putt-putt court
- **Self-catering chalets** which will provide both 2-bed and family units

## Project Location

The project is in Livingstonia situated on the higher rounds between Lake Malawi and the Nyika Plateau

## Project Financials

**US\$5.52 Mn**  
CAPEX

**US\$1.71 Mn**  
Revenue for 1<sup>st</sup> Year

**US\$9.14 Mn**  
Net Present Value

**13.4%**  
Internal Rate of Return

**US\$194 K**  
EBIT for 1st Year

**9 Years**  
Payback Period

# Activity Centre, Likoma Island



## Project Description

The Activity Centre to have all water- and land-based activities available in one place. It will include the following:

- A **75m long jetty**
- 6 shops
- A **60-seat restaurant**
- A small fast-food outlet
- An **aquarium**

## Project Location

The project site is on the south-eastern side of the Island, in Chiponde Village.

## Project Financials

**US\$1.35 Mn**  
CAPEX

**US\$1.51 Mn**  
Revenue for 1<sup>st</sup> Year

**US\$3.25 Mn**  
Net Present Value

**17.2%**  
Internal Rate of Return

**US\$69.0 K**  
EBIT for 1st Year

**7 Years**  
Payback Period

# Integrated Waterfront Development, Nkhatabay



## Project Description

The Integrated Waterfront Development will consist of three nodes the port and jetty, the commercial bay, and Chilundu Point. It will include the following:

- Upgradation of the **port and jetty that** will also include tourist facilities such as curio shops, public toilets, and 40-seater cafeteria
- **Commercial Bay** which will consists of a promenade, marina, and parking area
- Chilundu Point which will include a **20-room boutique hotel, 10-bed Ecolodge, and Ecotourism training facility**

## Project Location

The project is in Nkhatabay which lies on the shores of Lake Malawi. It is located centrally in Malawi and lie between Lilongwe and Mzuzu. It is also the closest connection to Likoma Island.

## Project Financials

**US\$16.29 Mn**  
CAPEX

**US\$4.27 Mn**  
Revenue for 1<sup>st</sup> Year

**US\$29.45 Mn**  
Net Present Value

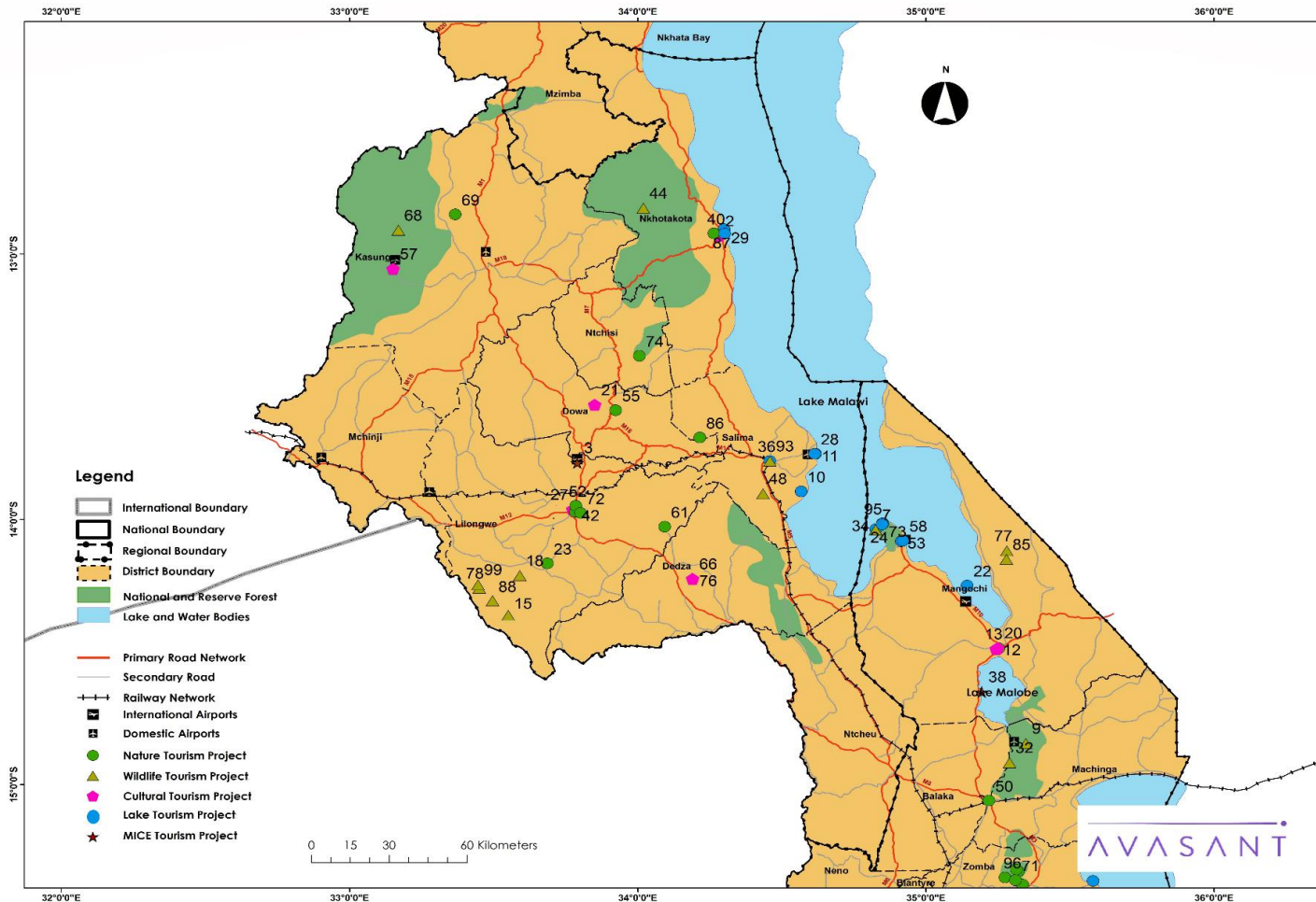
**14.1%**  
Internal Rate of Return

**US\$1.12 Mn**  
EBIT for 1st Year

**9 Years**  
Payback Period

# Central Region –Recommended Tourism Projects

The Central Region is home to 3 Tourism Nodes, and have the advantage of well established connections and tourism centres of Lilongwe as well as Salima. Despite strong connections and historical Tourism advantages, the nodes in this region are yet to exploit their complete potential across all segments of tourism offerings



List of **Priority Projects** for which pre-feasibility reports will be developed:

#	Node	Priority Project	Tourism Category
1	Nkhotakota – Kasungu -Ntchisi	Tourism Resort & Houseboat Harbor, Nkhotakota Bay	Lake Tourism
2	Lilongwe-Dzalanyama	Riverside Boardwalk in Lilongwe city	Nature Tourism
3	Salima-Dowa-Kirk Range-Lilongwe	Integrated Tourism Resort in Salima	Lake Tourism

# Nkhotakota Tourism Resort and Houseboats



## Project Description

This product will consist of a 78-room Hotel, Shopping and Entertainment Centre, marina and a harbor which can accommodate and service houseboats.

- **Hotel** will provide standard and luxury rooms
- **Entertainment Centre**, an indoor games area, swimming pools, activity desks and, refreshment centre
- **Shopping Centre** with a franchised departmental store, liquor store and shops
- **Marina** will be able to accommodate 6 houseboats at anchor

## Project Location

The project is in Nkhotakota which lies on the shores of Lake Malawi. It is located centrally in Malawi and lie between Lilongwe and Mzuzu.

## Project Financials

**US\$16.9 Mn**  
CAPEX

**US\$6.01 Mn**  
Revenue for 1<sup>st</sup> Year

**US\$30.24 Mn**  
Net Present Value

**14.3%**  
Internal Rate of Return

**US\$917 K**  
EBIT for 1st Year

**9 Years**  
Payback Period

# Integrated Tourism Facility in Salima



## Project Description

The Integrated Resort Tourism Facility at Salima will include the following:

- 100-room **Resort Hotel**
- a partitioned 1,000 capacity **Conference Centre**
- **Sporting complex**
- **Shopping complex**
- **Entertainment Centre and Casino**
- A **golf course** with a residential estate,
- An Aquarium.

## Project Location

The project site is situated on the lakeshore in the Central Malawi region in the Salima-Dowa-Kirk Range – Lilongwe node.

## Project Financials

**US\$43.29 Mn**  
CAPEX

**US\$8.29 Mn**  
Revenue for 1<sup>st</sup> Year

**US\$62.66 Mn**  
Net Present Value

**12.4%**  
Internal Rate of Return

**US\$2.18 Mn**  
EBIT for 1st Year

**9 Years**  
Payback Period

# Lilongwe Riverwalk



## Project Description

The proposed Riverwalk will support this market, not only for visitors but also for Lilongwe residents.

- **Timber Boardwalk** which will take visitors from a parking area on the M1 to the Nature Sanctuary
- **Fast-food outlet** serving sit-down or takeaway meals
- Public Toilets
- **Morning Market**

## Project Location

The project is located in the heart of the capital city of Lilongwe, which is in the Central part of Malawi.

## Project Financials

**US\$1.60 Mn**  
CAPEX

**US\$292 K**  
Revenue for 1<sup>st</sup> Year

**US\$2.62 Mn**  
Net Present Value

**12.9%**  
Internal Rate of Return

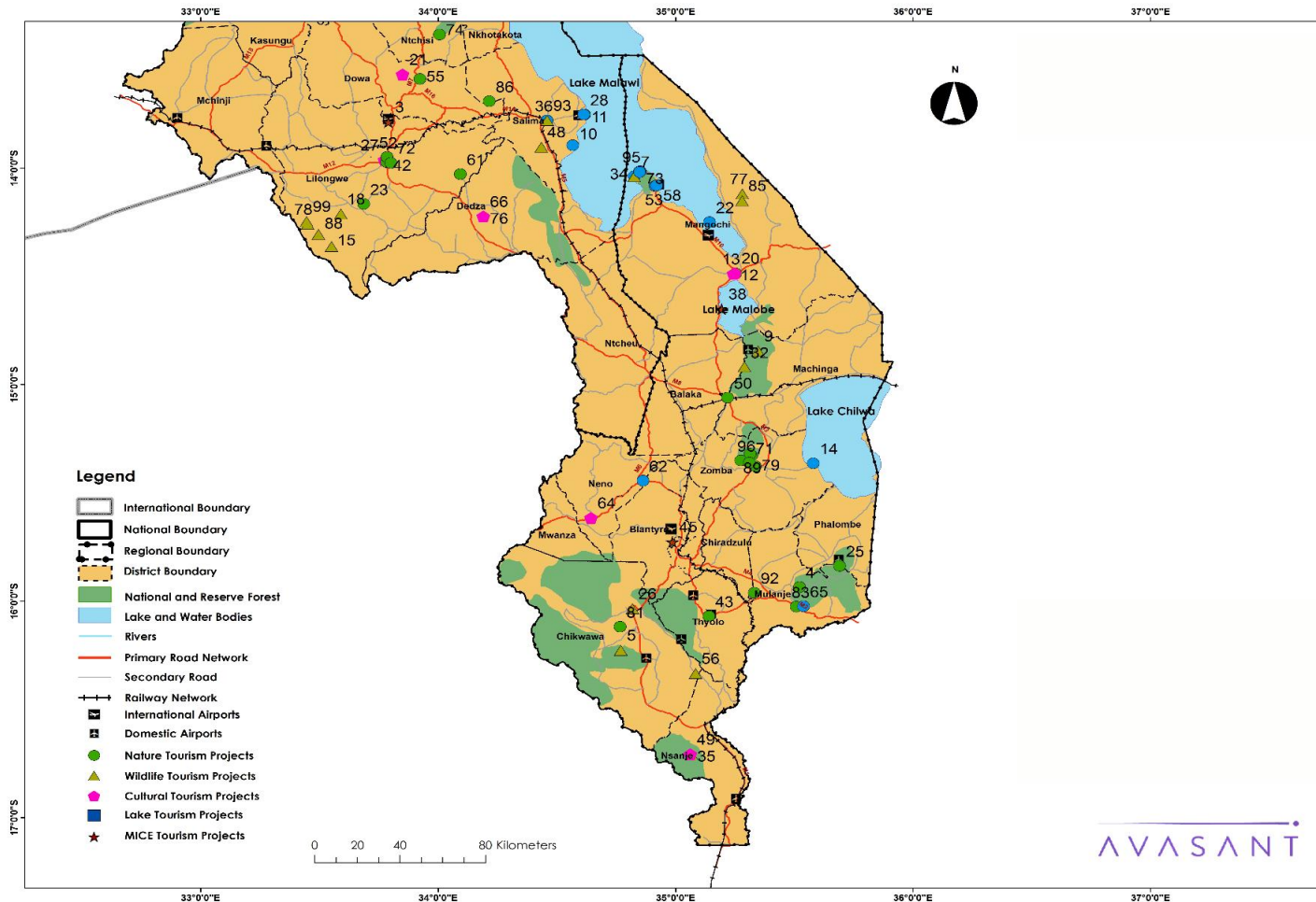
**US\$116 K**  
EBIT for 1st Year

**10 Years**  
Payback Period



# Southern Region – Recommended Tourism Projects

The Southern Region, with the major urban centre of Blantyre as part of it and with another major urban centre of Zomba present, has its own unique set of Tourism offerings as well as easy accessibility options. The Node is home to probably the best Wildlife and Biodiversity in all of Malawi, and can be leveraged to impact the socio-economy of all of Malawi through development of these facets.



List of **Priority Projects** for which pre-feasibility reports will be developed:

#	Node	Priority Project	Tourism Category
1	Nankumba Peninsula - Mangochi	Golden Sands Development at Cape Maclear	Lake Tourism
2	Mulanje-Blantyre-Thyolo-Phalombe	Integrated Cable Car Resort on Mount Mulanje	Nature Tourism
3	Mulanje-Blantyre-Thyolo-Phalombe	Waterfront Development on the Shire River	Lake Tourism

# Integrated Resort at Golden Sands, Cape Maclear



## Project Description

The Integrated Resort at Golden Sands will include the following:

- A **100 room hotel** overlooking the Cape Maclear Bay
- A **10-room eco-lodge** at Mfula Bay

## Project Location

The project sites are to the south and north-west of Otter Point at Cape Maclear, in the Lake Malawi National Park. This area is also known as Golden Sands.

## Project Financials

**US\$21.2 Mn**  
CAPEX

**US\$6.81 Mn**  
Revenue for 1<sup>st</sup> Year

**US\$53.6 Mn**  
Net Present Value

**19.2%**  
Internal Rate of Return

**US\$1.79 Mn**  
EBIT for 1st Year

**7 Years**  
Payback Period

# Integrated Cable Resort at Mount Mulanje



## Project Description

The following products will be developed at Mount Mulanje:

*On the top of the mountain:*

- A **cafeteria/restaurant seating 60 people**
- An **Interpretation Centre** with display area, storage, public toilets, administration, and reception

• A **40-60 bed Mountain Inn**

*At the bottom of the mountain:*

- A **cable car** and an information centre
- Health Spa & Wellness Centre
- A **16 room Eco-lodge**

## Project Location

The Mulanje Mountain is about 94km from Blantyre. The project site is split into two positions- low-level area at the old cable car station on the outskirts of Likhubula Village town and the high lying area on the rock.

## Project Financials

**US\$45.9 Mn**  
CAPEX

**US\$10.9 Mn**  
Revenue for 1<sup>st</sup> Year

**US\$54.6 Mn**  
Net Present Value

**10.5%**  
Internal Rate of Return

**US\$2.8 Mn**  
EBIT for 1st Year

**11 Years**  
Payback Period

# Shire River Waterfront



## Project Description

The project comprises a combination of leisure, retail, dining, and water-based activities. It will include the following:

- Shaded parking for 20 cars and 4 coaches
- Back-of-House building will handle deliveries to the site, provide staff with facilities
- **Shops and stalls** selling local crafts, curios, collector's items
- **Wooden Decking** which connects 100-seater restaurant, public toilets, fast food outlets and arena which can seat up to 100 people

## Project Location

The project is in Liwonde town, the Shire River runs through the town from the north to join with the Zambezi river

## Project Financials

**US\$2.56 Mn**  
CAPEX

**US\$324 K**  
Revenue for 1<sup>st</sup> Year

**US\$2.93 Mn**  
Net Present Value

**10.0%**  
Internal Rate of Return

**US\$129 K**  
EBIT for 1st Year

**12 Years**  
Payback Period